PROVINCE OF BRITISH COLUMBIA

Fifty-Second Annual Report

of the Business Done in Pursuance of the

Pension (Public Service) Act

YEAR ENDED MARCH 31

1987

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To: The Honourable ROBERT G. ROGERS,
Lieutenant-Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned respectfully submits the Report of the business done in pursuance of the Pension (Public Service) Act during the fiscal year ended March 31, 1987.

ELWOOD N. VEITCH
Provincial Secretary and Minister of Government Services

Office of the Provincial Secretary and Minister of Government Services
Victoria, British Columbia
April 26, 1988

The Honourable Elwood N. Veitch
Provincial Secretary and Minister
of Government Services
Victoria, British Columbia

SIR:

I have the honour to lay before you the Report of the business done in pursuance of the Pension (Public Service) Act during the fiscal year ended March 31, 1987.

Respectfully submitted,

JOHN W. COOK
Superannuation Commissioner

April 26, 1988

PENSION (PUBLIC SERVICE) ACT

ANNUAL REPORT

Report of the business done in pursuance of the *Pension (Public Service) Act* for the fiscal year ended March 31, 1987

Sections 1,3,4,6,7,8,10,13,15,17,19,41 (employee and employer contributions) — Employee contributions amounted to $68,808,002 made up as follows:

	$
Compulsory and arrears contributions	68,098,735
Voluntary contributions	390,815
Reinstatement	115,565
Purchase of service	202,907
	68,808,022

As at March 31, 1987 there were 45,019 active contributors.
Employer contributions amounted to $98,081,069 made up as follows:

Minister of Finance and Corporate Relations—	$
Compulsory and arrears	67,914,612
Purchase of service	165,300
Reinstatement	126,596
	68,206,508
Other employers—	
British Columbia Assessment Authority	1,780,453
British Columbia Buildings Corporation	2,279,061
British Columbia Development Corporation	136,275
British Columbia Ferry Corporation	6,565,914
British Columbia Housing Management Commission	470,539
British Columbia Institute of Technology	2,231,878
British Columbia Petroleum Corporation	65,770
British Columbia Place Ltd.	209,684
British Columbia Place Stadium	55,465
British Columbia Steamship Company (1975) Ltd.	30,518
British Columbia Systems Corporation	1,261,224
British Columbia Transit	8,076,991
Emergency Health Services Commission	1,917,807
Employees' union, credit unions and associations	299,432
Expo 86 Corporation	29,949
Kamloops Society for Alcohol and Drug Services	2,335
Liquor Distribution Branch	4,326,816
Post Secondary Education Councils	35,228
Regional colleges	16,847
Regional districts	3,359
	29,795,545
Purchase of service	79,016
	98,081,069

Section 11 — As at March 31, 1987 deposits with the bank at credit of the Public Service Superannuation Fund amounted to $2,507,862. Short-term investments held for the Fund amounted to $843,739,440 at cost. Long-term investments held for the Fund amounted to $1,683,364,364 at book value and are detailed on Schedule 1. A comparative summary of investment transactions and earnings is attached to this report in Schedule 2.

Section 12 — Income from investments earned by the Fund during the year amounted to $240,416,329.

This amount is distributed to the accounts of the Fund at interest rates specified in the Act or Regulations. For employees entering the service subsequent to April 1, 1958, interest at 4% per annum is credited to the employee and employer accounts. For employees entering service prior to April 1, 1958, a rate of 5% per annum was used. Interest at 6% per annum was credited to employee voluntary accounts and 5% per annum was credited to the Contributory Pensions Account.

An order-in-council was proclaimed in 1984 which changed rates paid to employee and employer accounts to a fluctuating rate based on the lesser of the net earned rate of the Fund or the average interest rate paid on three major chartered banks non-chequing savings accounts. For the period April 1, 1986 to March 31, 1987, this rate was 7.6406% per annum.

For 1986/87, the interest credited to the accounts of the Fund are as follows:

	$
Employees' Compulsory Contributions Basic Account	39,239,303
Employees' Compulsory Contributions Inflation Adjustment Account	5,713,549
Employees' Voluntary Contributions Account	592,102
Employer Contributions Basic Account	39,239,303
Employer Contributions Inflation Adjustment Account	5,713,549
Contributory Pensions Account	24,285,795
Special Agreement Account re certain former employees of B. C. Hydro and Power Authority	1,903
Special Agreement Accounts re certain employees of the Liquor Distribution Branch	1,193
Special Agreement Account re certain former employees of Medical Services Association	4,923
Reserve Account	114,004,807
Inflation Adjustment Pension Reserve	11,619,903

An Investment Advisory Committee, consisting of the Superannuation Commissioner and the Director, Finance, Superannuation Commission, together with representatives from the Ministry of Finance, and the British Columbia Government Employees Union, meets on a quarterly basis during the year to determine an investment strategy for the succeeding quarter.

The investment strategy is to achieve and maintain a total asset mix of 30% short-term and 70% long-term investments.

The Provincial Treasury provides financial services to the Pension Fund which includes safekeeping and registration of securities and investment management services. The Fund was charged $785,960 for these services.

Section 14 — All monies received and paid out under the provisions of this Act are shown in the statement of changes in fund balance and the assets and liabilities appertaining to the granting of superannuation allowances are shown in the statement of financial position. These financial statements are attached to this report.

Pursuant to the 1980 amendments to the Act, these financial statements reflect the creation of an Inflation Adjustment Account for the purpose of financing the annual inflation adjustment supplementary allowances.

Sections 15, 17, 18, 19, and 20 — During the year 1,022 allowances were granted as follows:

Normal retirement	920
Total and permanent disability	2
Deferred allowances	52
Dependents upon death in service	48

As at March 31, 1987 there were 1,462 former contributors with credits in the Fund who were eligible to apply for deferred superannuation allowances after attaining the minimum retirement age.

The present value of the 1,022 allowances granted during the year under the Pension (Public Service) Act, in the amount of $96,314,742 was credited to the Contributory Pensions Account from the following sources:

	$
Employees' Compulsory Contributions Basic accumulated with interest	22,998,944
Employees' Voluntary Contributions Account with interest	216,926
Employer Contributions Account	73,098,872

Section 16 — Transfers totalling $1,348,508 were received from 3 reciprocal and 7 other pension funds in respect of 12 contributors upon grant of allowance and in respect of 32 contributors following transfer of service as follows:

		$
Upon grant of allowance—		
B.C. Hydro and Power Authority Pension Fund	1	12,122
Teachers' Pensions Fund	1	1,327
Municipal Superannuation Fund	9	461,464
Workers' Compensation Board Pension Fund	1	3,465
During service—		
Government of Canada Public Service Pension Account	9	188,784
Province of Alberta Public Service Pension Fund	9	115,541
Province of Nova Scotia Public Service Pension Fund	1	40,710
Province of Saskatchewan Public Service Pension Fund	1	103,786
Province of Newfoundland Public Service Pension Fund	1	2,455

HTS Hi-tech Systems Ltd.	6	163,499
B.C. Hydro and Power Authority Pension Fund	5	255,355

By special arrangement, Crown Life Insurance Company reimbursed the Fund amounts totalling $160,152 representing that portion of the superannuation allowances received by former employees of the Liquor Distribution Branch that had been purchased from the Company prior to August 1, 1961.

Transfers totalling $369,244 were made to 2 reciprocal and 4 other pension funds in respect of 6 contributors upon grant of allowance and in respect of 16 contributors following transfer of service.

		$
Upon grant of allowance—		
Municipal Superannuation Fund	6	111,714
During Service —		
Province of Ontario Pension Fund	1	19,228
Teachers' Pensions Fund	1	2,621
Government of Canada Public Service Superannuation Account	11	186,958
Province of Alberta Public Service Pension Fund	2	4,253
Province of Manitoba Public Service Pension Fund	1	44,470

Sections 18(7), 22 and 23 — Refunds totalling $16,765,471 were granted in respect of 2,946 former contributors as follows:

		$
Resignations	2,316	14,665,670
Death in service	64	807,693
Excess and voluntary contributions on grant of allowance	149	980,672
Miscellaneous	417	311,436

Of the refunds granted, 1 was payable to former contributors who was eligible to receive an immediate superannuation allowance and 59 were payable to former contributors who were entitled to leave their credits in the Fund in order to receive a deferred superannuation allowance after attaining the minimum retirement age.

Section 27 — Administration and actuarial expenses amounting to $1,405,421 were paid from the Fund.

An actuarial valuation of the assets and liabilities of the Fund is required to be made by an actuary from time to time at intervals of not more than five years. The most recent valuation was carried out as at March 31, 1984.

The valuation indicated an unfunded liability in respect of basic pension benefits of approximately $555,858,000 as of March 31, 1984. This represents a decrease of $75,314,000 since March 31, 1980. These results are based on the present statutory employee and employer contribution rates.

Section 42 — Inflation Adjustment supplements totalling $19,212,431 ($16,134,144 in 1985/86) were charged to the Contributory Pensions Account. The annual increases are tied to the consumer price index and are payable to the extent that the capitalized value is available in the Inflation Adjustment Account. For this purpose employee and employer contributions each at the rate of 1.25% of salary and interest earnings attributable to funds held for the payment of contributory allowances in excess of the rate assumed by the actuary are allocated to the Inflation Adjustment Account.

Comparative, statistical and detail schedules of contributions, refunds and allowances granted and in force at the year end are attached to this report.

Sections 43, 44, 45 and 46 — Death Benefits Fund claims payments totalling $135,700 and sources of funds therefor are summarized in Schedule 9 attached to this report.

JOHN W. COOK, F.C.I.A.
Superannuation Commissioner

AUDITOR'S REPORT

To the Superannuation Commissioner,
To the Provincial Secretary and Minister of Government Services,
Province of British Columbia, and
To the Minister of Finance and Corporate Relations
Province of British Columbia:

I have examined the statement of financial position of the Public Service Superannuation Fund, a fund in the Ministry of Finance and Corporate Relations, as at 31 March 1987 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at 31 March 1987 and the changes in the fund balance for the year then ended in accordance with the accounting principles described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

ROBERT J. HAYWARD, C.A.
Acting Auditor General

Victoria, British Columbia
28 July 1987

PUBLIC SERVICE SUPERANNUATION FUND

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 1987

	1987	1986
	($ Thousands)	
ASSETS	$	$
Cash	2,508	4,465
Accounts receivable	8,033	12,123
Due from Members of the Legislative Assembly Superannuation Account	9,488	19
Accrued interest	68,163	69,174
Investments		
Short-term	843,740	764,639
Long-term (Note 4)	1,683,364	1,472,577
Deferred losses less gains on sale of investments (Note 5)	8,171	14,556
	2,623,467	2,337,553
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued liabilities	763	3,481
FUND BALANCE		
Basic Account	2,339,150	2,096,315
Inflation Adjustment Account	283,554	237,757
	2,622,704	2,334,072
	2,623,467	2,337,553

The eight accompanying notes are an integral part of these financial statements.

Approved by:

JOHN W. COOK, F.C.I.A.,
Superannuation Commissioner

VICTOR BARWIN, C.A.,
Director, Finance, Superannuation Commission

PUBLIC SERVICE SUPERANNUATION FUND

STATEMENT OF CHANGES IN FUND BALANCE FOR THE YEAR ENDED MARCH 31, 1987

	Basic Account	Inflation Adjustment Account	Totals 1987	Totals 1986
		($ Thousands)		
Fund Balance Increased by				
Contributions				
Employees	$	$	$	$
Basic	53,216	—	53,216	52,019
Inflation adjustment	—	14,882	14,882	14,396
Voluntary	391	—	391	664
Purchase of service	203	—	203	—
Reinstatement	116	—	116	61
	53,926	14,882	68,808	67,140
Employers				
Province of British Columbia				
Basic	57,535	—	57,535	56,614
Inflation adjustment	—	10,379	10,379	10,076
Purchase of service	165	—	165	—
Reinstatement	127	—	127	—
Other employers				
Basic	25,307	—	25,307	24,452
Inflation adjustment	—	4,489	4,489	4,303
Purchase of service	79	—	79	—
	83,213	14,868	98,081	95,445
Transfers from other funds	1,382	126	1,508	870
Transfers from Members of the Legislative Assembly Superannuation Account				
Upon grant of allowance	9,424	—	9,424	—
In respect of inflation adjustment supplements	—	44	44	45
Income from investments	217,368	23,047	240,415	226,015
	365,313	52,967	418,280	389,515
Fund Balance Decreased by				
Superannuation allowance payments				
Contributory	91,110	—	91,110	83,498
Inflation adjustment supplements	19,212	—	19,212	16,134
	110,322	—	110,322	99,632
Refunds	14,119	2,646	16,765	15,217
Transfers to other funds	326	44	370	1,826
Administration and actuarial expenses	1,405	—	1,405	1,521
Investment management fees	702	84	786	692
Transfer to Members of the Legislative Assembly Superannuation Account	—	—	—	128
	126,874	2,774	129,648	119,016
Net Increase Before Transfers	238,439	50,193	288,632	270,499
Transfers (Note 6)				
Capitalized value of inflation adjustment supplements granted ($23,188—1986)	37,030	(37,030)	—	—
Capitalized value of indexing of highest average salary ($940—1986)	1,080	(1,080)	—	—
Excess interest ($37,112—1986)	(33,714)	33,714	—	—
	4,396	(4,396)	—	—
Net Increase in Fund Balance	242,835	45,797	288,632	270,499
Fund Balance at Beginning of Year	2,096,315	237,757	2,334,072	2,063,573
Fund Balance at end of Year	2,339,150	283,554	2,662,704	2,334,072

PUBLIC SERVICE SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 1987

1. Description of the Public Service Superannuation Plan

The following brief description of the plan is provided for general in rmation only. For more complete information about the plan, reference should be made to the *Pension (Public Service) Act*.

(a) General

Under the *Pension (Public Service) Act*, the Public Service Superannuation Fund is a fund in the Ministry of Finance and Corporate Relations.

The plan is a defined benefit pension plan, whereby benefits are not linked directly to contributions. The plan is open to eligible employees of the public service and certain crown corporations, agencies, institutions and other employers to which the *Pension (Public Service) Act* applies.

(b) Contributions

Members Contribute to the Basic Account 4¼% of salary up to the year's maximum pensionable earnings, and 5¾% of salary in excess of the years maximum pensionable earnings. Employers contribute to the Basic Account 6¾% of salary up to the year's maximum pensionable earnings and 8¼% of salary in excess of the year's maximum pensionable earnings. Members and employers also contribute 1¼% of salary to the Inflation Adjustment Account which was created in 1980 to provide for the payment of inflation adjustment supplements.

(c) Retirement Benefits

Members are eligible for an unreduced pension at an age within 5 years of normal retirement age with at least 10 years contributory service, or at age 55 with 35 years contributory service. A reduced pension is payable at an age 10 years under normal retirement age with at least 10 years contributory service.

The plan provides for a pension of 2% of the highest 5-year average salary for each year of pensionable service (to a maximum of 35 years). At age 65, or date of death or disability, if earlier, there is a reduction in the formula as a result of integration with the Canada Pension Plan.

Increases in the inflation adjustment supplements are provided each January 1st and are related to the annual increase in the Consumer Price Index (CPI) as at the previous September 30th. The capitalized value of the increases shall not exceed the funds available in the Inflation Adjustment Account. At January 1, 1987 there were sufficient funds available to provide a full CPI increase of 4.1% (4.1% in 1986) to the basic lifetime portion of the contributory superannuation allowances in force.

(d) Termination Benefits

A terminating employee may choose between leaving accumulated contributions on deposit or obtaining a refund. The refund includes interest credited. Employees with at least 10 years of contributory service who leave contributions in the Fund are entitled to deferred pension benefits. Terminating employees not withdrawing contributions may carry certain pension rights to other pension plans that have portability arrangements with the Public Service Superannuation Plan. New contributors may also, under portability arrangements, transfer contributions and service from other plans to provide for, or to increase, pension benefits under the Public Service Superannuation Plan.

(e) Other Benefits

Disability and survivor benefits are available under the plan.

2. Significant Accounting Policies

(a) General Information

These financial statements have been prepared on the accrual basis of accounting. They show only the position of the Fund as at March 31, 1987 and the changes in Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the superannuation plan. The results of the latest actuarial valuation of the plan are described in Note 8 below.

PUBLIC SERVICE SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1987—*Continued*

(b) Investments

Long-term investments are those purchased with a term in excess of one year. They are carried at cost of acquisition adjusted as follows:

(i) Discounts and premiums on single maturity bonds are amortized on a effective yield basis over the remaining terms of the bonds.

(ii) Discounts on serial bonds are recognized as income when redemptions occur.

(iii) Shares are carried at cost adjusted by 7% of the difference between cost or adjusted cost and market value.

Short-term investments are carried at cost of acquisition.

(c) Deferred Losses Less Gains on Sale of Investments

Gains and losses on disposal of long-term investments are deferred and amortized on a straight line basis over the lesser of the remaining terms of the investments or twenty years. The amortization is charged against income from investments.

3. Change in Accounting Policy

In the year ended 31 March 1986 and prior years, discounts and premiums on long-term investments were amortized on a straight line basis. Discounts and premiums are now amortized on the basis described in Note 2b(i). This change in accounting policy has not been retroactively applied and comparative figures have not been restated due to the insignificant affect on the fund balance.

As a result of this change income from investments for the year ended 31 March 1987 and the fund balance as at 31 March 1987 have both been decreased by $4,256,507.

4. Long-Term Investments

Long-term investments held at the end of the year are as follows:

	1987 $		1986 $	
	($ Thousands)			
	Bonds and Notes	Shares	Bonds and Notes	Shares
Book Value	1,661,784	21,580	1,453,036	19,541
Par Value	1,749,833	—	1,547,909	—
Market Value	1,786,627	36,081	1,524,265	32,444

5. Deferred Losses Less Gains On Sale of Investments

	1987 $	1986 $
	($ Thousands)	
Balance at beginning of year	14,556	19,599
Gains less losses on sale of investments	5,134	3,236
	9,422	16,363
Amortization for the year	1,251	1,807
Balance at end of year	8,171	14,556

PUBLIC SERVICE SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1987—*Continued*

6. Transfers

The Basic Account is increased by the capitalized value of inflation adjustment supplements and the capitalized value of the indexing of the highest average salary for employees electing deferred pensions during the year.

The Inflation Adjustment Account is increased by income that is earned on assets held in the Basic Account in respect of pensions being paid, and which is in excess of income calculated using the interest rate assumed by the actuary.

7. Transfers To and From the Members of the Legislative Assembly Superannuation Account

Former Members of the Legislative Assembly who have been granted superannuation allowances are paid contributory allowances and inflation adjustment supplements from the Public Service Superannuation Fund (the Fund).

A contributory allowance is financed at the time the allowance is first granted by the transfer to the Fund from the Members of the Legislative Assembly Superannuation Account (the Account) of the present value of the superannuation allowance.

Former members receiving an allowance who are re-elected to the Legislature cease to receive an allowance and resume contributing to the Account. In addition, an amount equal to the present value of their superannuation allowance is to be transferred from the Public Service Superannuation Fund to the Account.

During the year ended March 31, 1987, 22 Members (1986 — nil) were granted superannuation allowances. The present value of these allowances was $9,424,137 (1986 — nil) which is due from the Account.

8. Actuarial Valuation

According to the *Pension (Public Service) Act*, an actuarial valuation of the assets and liabilities of the Fund is required to be made by an Actuary at least once in each consecutive period of not more than five years. The most recent valuation was carried out as at March 31, 1984. The valuation indicated a decrease in the unfunded liability in respect of basic pension benefits from $631,172,000 as of March 31, 1980 to $555,858,000 as of March 31, 1984. This decrease was primarily the result of the increase in the statutory employer contribution rate from 5¾% to 8¼% effective April 1, 1983.

The contributions required under the pension plan were determined under a "level contribution" funding method. This method expresses employer contributions as a constant percentage of future payrolls that, together with future employee contributions and investment earnings, will finance the benefits for a typical new entrant to the plan and, in addition, will maintain the unfunded liability as a constant percentage of future payrolls.

An actuarial valuation, as at March 31, 1987, is presently being undertaken.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1—*Page 1 of 2*

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1987

	Par Value $	Book Value $	Market Value $
Government of Canada	716,660,750	631,361,677	685,717,047
Government of Canada guaranty			
Federal Business Development Bank	51,000,000	51,159,875	51,675,473
Export Development Corporation	14,000,000	13,984,196	14,780,556
Province of Alberta	25,200,000	24,937,614	25,893,000
Province of British Columbia	80,548,000	81,257,226	88,852,380
Province of Manitoba	22,260,000	22,284,240	23,730,569
Province of New Brunswick	2,000,000	1,995,298	2,094,942
Province of Nova Scotia	4,250,000	4,435,766	5,111,875
Province of Ontario	9,000,000	8,952,881	9,189,500
Province of Quebec	13,150,000	13,149,881	16,340,953
Province of Saskatchewan	58,736,000	58,543,479	60,448,088
Province of Alberta guaranty			
Alberta Municipal Finance Corporation	8,600,000	8,929,303	9,642,693
Alberta Telephone	16,000	13,417	15,583
Province of British Columbia guaranty			
British Columbia Hydro and Power Authority	314,851,757	309,889,581	324,945,674
British Columbia Railway Company	86,900,204	86,783,653	100,573,968
British Columbia Electric	100	100	96
British Columbia Power Commission	38,000	32,766	32,667
British Columbia Educational Institutions Capital Financing Authority	1,025,000	1,025,000	1,087,147
British Columbia Regional Hospital Districts Capital Financing Authority	10,440,000	9,802,354	10,170,101
British Columbia School Districts Capital Financing Authority	20,572,825	20,305,324	23,359,594
British Columbia improvement districts	8,393,400	8,327,012	8,568,774
British Columbia municipalities	920,479	909,572	881,108
British Columbia Petroleum Corporation	1,000,000	1,016,992	1,033,762
Municipal Finance Authority of British Columbia	13,000,000	12,998,976	13,515,946
Province of Manitoba guaranty			
Manitoba Telephone Systems	70,000	68,129	65,652
Province of Newfoundland guaranty			
Newfoundland and Labrador Hydro-electric Corporation	700,000	696,451	696,233
Newfoundland Municipalities Capital Financing Authority	1,000,000	996,380	1,056,473
Province of Nova Scotia guaranty			
Nova Scotia Power Corporation	347,000	332,911	339,193

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1—*Page 2 of 2*

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1987

	Par Value $	Book Value $	Market Value $
Province of Ontario guaranty			
Ontario Hydro-electric Power Commission	216,893,000	218,891,573	232,189,359
Province of Quebec guaranty			
Quebec Hydro-electric Commission	64,400,000	64,911,722	70,500,525
Eurobank guaranty			
World Bank Notes	3,600,000	3,574,364	3,864,651
Term Deposits			
Bank of Montreal	100,000	97,253	100,000
Corporate Bonds			
B.C. Telephone Company	50,000	39,089	51,387
Consumers' Gas	50,000	39,061	50,286
Hudson's Bay Company Acceptance	50,000	41,537	51,502
Total Value of Bonds and Notes	1,749,822,515	1,661,784,653	1,786,626,777
Shares			
Bank of British Columbia (122,106)	—	1,141,534	94,022
British Columbia Telephone Company (1,215,844)	—	20,374,249	35,867,398
Canadian Pacific Limited (3,600)	—	38,439	89,100
Imperial Oil Limited (300)	—	13,503	20,700
International Nickel Company of Canada Ltd. (450)	—	11,986	9,506
Total Value of Shares	—	21,579,711	36,080,726
	1,749,822,515	1,683,364,364	1,822,707,503
1986 Comparisons	1,547,908,931	1,472,577,470	1,556,709,018

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 2

INVESTMENT INTEREST AND TRANSACTIONS

Comparative Statistics, April 1, 1977 to March 31, 1987

Year Ended March 31	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
	%	%	%	%	%	%	%	%	%	%
Net earned rate of the Fund	6.69	7.52	8.83	9.41	12.42	12.37	10.75	11.14	10.73	10.15
	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)
Income from investments	33,994	45,690	63,932	81,107	158,574	160,104	171,476	205,668	226,015	240,416
Net increase (decrease) in long-term investments										
Bonds — par value	99,120	112,948	73,199	214,221	(2,566)	106,694	116,672	84,611	485,174	201,914
Shares — book[1]	—	3,059	—	277	—	728	675	1,348	1,752	2,039
Fund balance	572,277	687,918	823,385	982,343	1,263,982	1,537,845	1,795,158	2,063,573	2,334,072	2,622,704

[1] In 1982/83 the government changed the basis of valuation of shares. Formerly carried at cost, shares are now carried at cost adjusted by 7% of the difference between the cost or adjusted cost and market value.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 3

Main Comparative Statistics, April 1, 1977 to March 31, 1987

Fiscal Year	Number of Contributors	Employee Contributions		Employer Participation		Employee Refunds		Superannuation Allowances				
		Regular (3)	Voluntary Reinstatement and Military	Contributions (3)	Refunds to Minister of Finance	Number	Amount	Number Granted	Deaths and Expirations	Number in Force at End of Year	Amount Paid: Fund	Amount Paid: Supplementary Allowances (4)
		$	$	$	$		$				$	$
1977/78	40,604 3,095[1]	36,365,508	2,384,132	51,970,631	4,303,524	2,981	5,110,493	564	114 1[2]	5,461 38[2]	17,611,890	4,851,759
1978/79	43,020 3,243[1]	40,189,724	2,236,950	64,516,199	5,107,284	2,910	6,031,800	686 3[2]	107 1[2]	6,040 40[2]	21,421,711	6,531,972
1979/80	46,177 3,033[1]	44,547,242	1,756,615	71,025,484	7,490,209	3,856	8,727,191	694 7[2]	78	6,656 47[2]	25,582,534	8,615,903
1980/81	47,857 3,640[1]	54,348,447	1,273,020	78,503,914	4,503,644	4,075	12,248,437	709 1[2]	151 1[2]	7,214 47[2]	30,239,736	11,451,709
1981/82	49,057 3,944[1]	64,956,872	1,799,625	91,003,851	—	5,148	16,102,436	828	134	7,908 47[2]	48,484,023	1,254,158
1982/83	50,396 3,871[1]	71,961,004	1,003,865	106,667,203	—	2,845	9,646,423	825 1[2]	146	8,587 48[2]	54,636,332	6,279,568
1983/84	49,055 3,939[1]	70,323,298	1,666,010	100,493,730	—	3,448	14,616,005	952 9[2]	160	9,379 57[2]	62,038,243	10,789,647
1984/85	45,135 4,079[1]	66,712,654	945,024	95,774,735	—	4,888	24,310,679	1,509[5] 1[2]	146 1[2]	10,742 57[2]	74,001,929	13,571,346
1985/86	44,665 4,444[1]	66,414,967	724,549	95,445,475	—	2,912	15,217,071	1,046[5]	202 2[2]	11,586 55[2]	83,497,418	16,134,144
1986/87	45,019 5,020[1]	68,098,735	709,287	98,081,069	—	2,946	16,765,461	1,022 22[2]	203 3[2]	12,405 74[2]	91,110,174	19,212,431

[1] Non-active — out of service but account remains at credit.

[2] Allowances in respect of former Members of the Legislative Assembly.

[3] Employee and employer contributions increased by 0.5% of salary effective November 1, 1976 and by a further 0.5% of salary effective October 1, 1980. Effective April 1, 1982, employer contributions were increased a further 2.5% of salary.

[4] Effective November 1, 1976 supplementary allowances were being financed by the additional employee and employer contributions referred to in note 3. Effective October 1, 1980, employee and employer contributions each of 1.25% of salary are being credited to the Inflation Adjustment Account and used to finance the capital cost of supplementary cost of living pension increases granted each January 1st.

[5] Included in the superannuation allowances granted for 1984/85 are 128 former contributors to the Pacific Coach Lines Ltd. Employees' Retirement Plan who are eligible to receive pension benefits paid under the *Pension (Public Service) Act*.

PUBLIC SERVICE SUPERANNUTATION FUND

SCHEDULE 4

Comparative Statistics, April 1, 1977 to March 31, 1987

Subdivided According to Sex of Contributor

Fiscal Year	Number of Contributors		Number of Refunds Granted		Allowances					
					Number of Allowances Granted		Number of Deaths and Expirations		Number of Allowances in Force At End of Year	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1976/77	23,518	14,281	1,549	2,032	364	144	69	22	3,837	1,174
Non-active	1,558	1,412								
1977/78	24,640	15,964	1,223	1,758	387	177	74	40	4,150	1,311
Non-active	1,600	1,495								
1978/79	25,807	17,213	1,174	1,736	487	199	81	26	4,556	1,484
Non-active	1,686	1,557								
1979/80	26,670	19,507	1,722	2,134	471	223	26	52	5,010	1,646
Non-active	1,577	1,456								
1980/81	28,538	19,319	1,760	2,315	484	225	89	62	5,405	1,809
Non-active	1,661	1,979								
1981/82	28,791	20,266	2,324	2,824	626	202	49	37	5,982	1,974
Non-active	1,757	2,187								
1982/83	29,197	21,199	1,128	1,717	630	196	110	37	6,502	2,133
Non-active	1,944	1,927								
1983/84	28,584	20,471	1,354	2,094	722[1]	239	123[1]	37	7,101[1]	2,335
Non-active	1,968	1,971								
1984/85	26,383	18,752	2,132	2,756	1,151[2]	358[2]	119	27	8,133	2,666
Non-active	2,017	2,062								
1985/86	26,071	18,594	1,244	1,668	730	316	157	47	8,706	2,935
Non-active	2,157	2,287								
1986/87	26,148	18,871	1,290	1,656	756	288	153	53	9,309	3,170
Non-active	2,405	2,615								

Non-active — out of service but account remains at credit.

[1] 1983/1984 statistics restated to account for adjustment in MLA, restated to account for pension reinstatements.

[2] 1984/85 new allowances granted include 101 male and 17 female pensioners transferred to the pension fund in respect of the transfer from the Pacific Coach Lines Ltd. Employees' Retirement Plan.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 5

Normal Allowances Granted April 1, 1986 to March 31, 1987

SUBDIVIDED BY YEARS OF SERVICE AND VALUE OF ALLOWANCE

Years of Service	Number of Allowances Granted	Average Salary During Last Five Years	Average Annual Allowance on Single Life Plan	Average Value of Allowance	Average Employee Share	Average Government Share
		$	$	$	$	$
Under 10 years	68	30,845	3,144	33,888	10,219	23,669
10–14	303	25,841	4,423	47,562	15,703	31,859
15–19	144	27,347	6,741	73,840	20,509	53,331
20–24	126	28,507	9,169	97,854	24,973	72,881
25–29	95	30,383	12,703	139,078	30,601	108,477
30–34	82	31,065	15,987	175,077	37,539	137,538
35 and over	102	34,040	20,226	230,347	42,014	188,333
AVERAGE OF NORMAL ALLOWANCES GRANTED DURING YEAR:						
	61 (Age)	28,655	8,979	98,633	23,721	74,912
TOTAL VALUE OF NORMAL ALLOWANCES GRANTED DURING YEAR:						
	920	26,363,016	8,260,795	90,742,454	21,823,398	68,919,056

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 6

Normal Allowances Granted April 1, 1986 to March 31, 1987

GRANTED TO FORMER CONTRIBUTORS WHOSE MAXIMUM RETIREMENT AGE WAS 65

Years of Service	Age at Retirement												Total	Percent
	Under 55	55	56	57	58	59	60	61	62	63	64	65		
Under 10	—	7	2	4	1	3	6	3	4	6	6	26	68	8
10–14	—	15	14	4	10	11	32	24	19	16	24	129	298	33
15–19	—	7	5	5	7	5	18	16	9	11	7	47	137	15
20–24	—	8	5	4	5	5	14	8	3	14	11	46	123	14
25–29	—	6	2	5	5	1	19	7	5	9	7	21	87	10
30–34	—	6	8	3	4	6	16	8	6	4	5	14	80	9
35 and over	—	36	3	11	5	4	10	8	4	6	6	9	102	11
Total	—	85	39	36	37	35	115	74	50	66	66	292	895	
Percent	—	10	4	4	4	4	13	8	6	7	7	33		100

GRANTED TO FORMER CONTRIBUTORS WHOSE MAXIMUM RETIREMENT AGE WAS 60

Years of Service	Age at Retirement												Total	Percent
	Under 50	50	51	52	53	54	55	56	57	58	59	60		
Under 10	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10–14	—	—	—	—	—	—	1	1	—	—	—	3	5	20
15–19	—	—	—	—	—	—	2	1	1	—	—	3	7	28
20–24	—	1	—	—	—	—	—	—	1	—	1	—	3	12
25–29	—	—	—	—	—	1	3	2	1	1	—	—	8	32
30–34	—	—	—	1	1	—	—	—	—	—	—	—	2	8
35 and over	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	1	—	1	1	1	6	4	3	1	1	6	25	
Percent	—	4	—	4	4	4	24	16	12	4	4	24		100

Allowances Other Than Normal Granted April 1, 1986 to March 31, 1987

Number of Allowances Granted	Death	Disability	Deferred
102	48	2	52

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 7

Approved and Reciprocal Employers as at March 31, 1987

APPROVED EMPLOYERS

Section 18 (4) (a) provides for the granting of a deferred allowance to a contributor who within three years of his last contribution to the Fund enters the employment of one or more of the following employers, remains in employment long enough to qualify for a monthly pension benefit and has at least 10 years combined contributory service under this plan and the pension plan of the approved employer —

	Effective Date
B.C. Central Credit Union	December 4, 1974
B.C. Railway Company	June 10, 1963
B.C. Rapid Transit Company Ltd. — Management Employees	July 25, 1985
Bricklayers and Masons Pension Plan	November 16, 1984
City of Calgary	July 13, 1972
Government of Canada	June 24, 1955
HTS Hi-tech Systems Ltd.	December 20, 1984
Legislative Assembly of the Province of British Columbia	June 10, 1963
Pacific Coach Lines (formerly Vancouver Island Coach Lines)	April 1, 1979
Pacific Press Limited	July 14, 1960
Simon Fraser University	September 18, 1980
University of British Columbia	August 20, 1962
University of Victoria	December 21, 1970
University of Saskatchewan Research Pension Plan	October 29, 1986
University of Toronto	November 26, 1986

AGREEMENTS NEGOTIATED WITH OTHER EMPLOYERS

Section 38 (4) provides that the Commissioner may enter into an agreement for the transfer of funds in respect of an employee who transfers to or from the service of the following employers—

B.C. Hydro and Power Authority	September 14, 1970
Canadian Broadcasting Corporation	July 2, 1981
Central Mortgage and Housing Corporation	March 6, 1975
Government of Canada	June 24, 1955
HTS Hi-tech Systems Ltd.	December 20, 1984
Province of Alberta	October 19, 1976
Province of Alberta — Management Positions	May 5, 1977
Province of Manitoba	February 17, 1975
Province of New Brunswick	December 11, 1974
Province of Newfoundland	September 23, 1980
Province of Ontario	August 4, 1971
Province of Prince Edward Island	March 1, 1979
Province of Saskatchewan	May 2, 1977
Canada Museums Construction Corporation	January 5, 1987
Province of Nova Scotia	September 29, 1986

RECIPROCAL EMPLOYERS

Section 16 provides for the method of calculating the monthly pension benefit for an employee who within three years of making his last contribution to the Fund transfers to or from the service of the following British Columbia reciprocal employers and commences contributing to the pension plan—

An employer under the *Pension (College) Act*	April 1, 1973
An employer under the *Pension (Municipal) Act*	April 1, 1973
An employer under the *Pension (Teachers) Act*	April 1, 1973
Workers' Compensation Board	June 5, 1974

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 8

Approved Group Disability Salary Continuance Plans as at March 31, 1987

APPROVED EMPLOYERS

Section 1 provides for the approval of group disability salary continuance plans by the Provincial Secretary. *Section 15 (7)* provides that any period during which a contributor receives benefits from an approved plan, is treated as a period of pensionable service for the purposes of the *Pension (Public Service) Act* in respect of the following employers —

Employer	Date Plan Approved
B.C. Assessment Authority	October 14, 1976
B.C. Institute of Technology	July 25, 1977
Emergency Health Services Commission	January 6, 1978
Metro Transit Operating Company	June 10, 1980
Public Service Long Term Disability Plan	April 26, 1978
Workers' Compensation Board (Boards of Review)	October 10, 1980
B.C. Government Employees' Union	May 27, 1981
B.C. Housing Management Commission	July 6, 1981
B.C. Development Corporation	April 10, 1984
Pacific Coach Lines Ltd.	October 24, 1984

PENSION (PUBLIC SERVICE) ACT

SCHEDULE 9

DEATH BENEFITS FUND

SECTION 43–46

Any contributor who is eligible for an allowance under the *Pension (Public Service) Act* or the *Legislative Assembly Allowances and Pension Act* may elect, on or before the day on which their allowance is granted, to purchase insurance coverage under the Death Benefits Fund. The cost to each contributor is $1.00 per month. Benefits payable upon death are dependent on the age of the participant:

	$
Less than 66	1,000
66 but not 67	900
67 but not 68	800
68 but not 69	700
69 but not 70	600
70 or over	500

Summary of Claims Paid for the Year Ended March 31, 1987

Number of Claims	Amount of Claims $	Total $
124	500	62,000
16	600	9,600
14	700	9,800
8	800	6,400
11	900	9,900
38	1,000	38,000
211		135,700

Summary of Sources of Funds for the Year Ended March 31, 1987

	$
Contributions by superannuants	100,123
Contributions by Government	35,577
	135,700

8,607 superannuants were contributing as at March 31, 1987.

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